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October 12, 2015

Re: Letter of Support for Waivers

The Community Ministry Board of Providence Health & Services, Western Montana Region, appreciates the Department's solicitation of public comment on Montana's application for the federal waivers necessary to implement Montana's Medicaid expansion legislation – The Health and Economic Livelihood Partnership (HELP) Act. We strongly support Montana's request for both the Section 1115 Demonstration Waiver necessary to provide health coverage to certain adults, and the Section 1915(b)(4) waiver necessary to utilize a third party administrator to manage the demonstration program.

Providence Health & Services Western Montana is a not-for-profit Catholic health care ministry committed to providing for the needs of the communities it serves. We serve the health needs of people across Western Montana through our two ministries – St. Patrick Hospital in Missoula and Providence St. Joseph Medical Center in Polson.

On December 14, 2014, Western Montana's daily newspaper – the *Missoulian* – published a guest editorial we submitted advocating for the expansion of Medicaid by the 2015 Montana Legislature. Please see attached document. As reflected in our editorial, our board of directors is committed to doing our part in ensuring access to high quality, affordable health care to all Montanans. To that end, we continue to engage in the development and implementation of health reform strategies in Western Montana.

We closely monitored the various efforts undertaken by Montana's Governor and members of the 2015 Montana Legislature to expand Medicaid to qualifying Montana residents. Considering that Medicaid expansion legislation failed to pass in Montana's 2013 Legislature, it was apparent to us that Medicaid expansion could only be achieved if the governor and legislators from both parties worked closely together to compromise on legislation that would garner the support of the majority of Montana's state senators and representatives. Senate Bill 405 - The HELP Act - emerged as the only legislation that could attract the necessary level of bipartisan support required for passage. Providence Health & Services Western Montana strongly advocated for the HELP Act which ultimately was signed into law by Governor Bullock on April 29, 2015.

The HELP Act aligns with our ongoing efforts to ensure high quality, affordable health care to all Montanans and our special commitment to the poor and vulnerable in our Montana communities. As a result, we join with the many other Montanans to support Montana's requested Section 1115 Demonstration Waiver necessary to provide health care coverage to

the adult population addressed in the HELP Act, and a Section 1915(b)(4) waiver necessary to utilize a third party administrator. Granting these waivers will bring needed health care coverage to 70,000 of Montana's most vulnerable uninsured residents.

Thank you for your careful consideration of Montana's waiver requests.

Sincerely,

J. Martin Burke
Chair
Community Ministry Board
Providence Health & Services
Western Montana Region

Attachment

Guest Editorial of the Community Ministry Board of Providence Health & Services Western Montana published December 14, 2014 in the *Missoulian*

Addressing the Issue of the Uninsured in Montana

According to a July 2014 *Missoulian* article, our state auditor's office reported that 30,000 uninsured Montanans gained health insurance since the federal government launched its online marketplace in October 2013. Nonetheless, approximately 165,000 Montanans still have no health insurance.

A large number of Montana's uninsured citizens are employed. They work in our hotels and motels, restaurants, and retail stores. They don't have health care coverage through their employment, don't earn enough to pay for health insurance, and aren't eligible for Medicaid under Montana's current Medicaid standards.

The uninsured are our neighbors and friends. Because they lack health insurance, too often they don't receive the health care they need, when they need it. If they do seek care, their only option may be to request charity care in our hospital emergency rooms, where the costs of care are the greatest.

The lack of appropriate access to health care raises a moral issue. How can we allow Montana citizens to go without the health care they need? It also raises a financial issue. Who pays for the cost of the charity care provided to those among us who cannot pay?

Each year St. Patrick Hospital and Providence St. Joseph Medical Center treat large numbers of uninsured Montanans and provide millions of dollars of charity care. (The two hospitals provided \$16.5 million in charity care in 2013.) The area's other hospitals also provide substantial charity care. Hospitals absorb some charity care costs, thus reducing their capacity to operate at optimum levels. Absorbing costs of charity care could even threaten the financial viability of some of Montana's small rural hospitals.

Apart from the costs borne by hospitals, substantial amounts of charity care costs are shifted to those who pay for insurance. This cost shifting constitutes a type of hidden tax on these payors, among them businesses that provide health insurance to their employees. Thus, in one way or the other, we all pay for charity care.

As members of the board of the Western Montana Region of Providence Health & Services, we believe health care providers and our state legislature have important roles to play in addressing the moral and financial issues associated with the large number of uninsured Montanans.

Our 2013 Legislature opted not to take federal money to fund an expansion of Medicaid that would have provided coverage for as many as 70,000 uninsured Montanans. The federal government agreed to pay 100% of expansion costs incurred by each state in 2014 through

2016 and no less than 90% of the costs in the following seven years. Twenty-seven other states accepted the federal government's offer. It is ironic, and troubling, that our Montana federal tax dollars are now helping pay for Medicaid expansion in those states while we have chosen not to expand Medicaid in Montana.

Although Montana has missed out on the first year of the federal government's offer regarding Medicaid expansion, it's not too late for Montana to reap the benefit of that offer over the next nine years. Specifically, the 2015 Montana Legislature could expand Medicaid and thereby take advantage of the federal government's offer. By expanding Medicaid, our legislature would address the plight of uninsured Montanans and reduce the burden currently borne by our hospitals and those who pay insurance premiums. In addition, it would greatly stimulate Montana's economy with the infusion of billions of federal dollars.

Health care providers also have an important role to play. Without active health care reform efforts, the cost of providing care will continue to rise as our state's population ages and chronic conditions such as diabetes and heart disease become more prevalent. Health care providers must play the lead role in reform. We at Providence Western Montana are committed to doing our part by developing a new model for health care to ensure high quality care at lower cost.

Imagine a Montana where every Montanan has health insurance and, as a result, can access quality health care when needed and in appropriate care settings.

Imagine a Montana where our health care system is more efficient and focuses on keeping people healthy and out of hospitals and doctors' offices, thus dramatically reducing overall health care expenditures.

Imagine a Montana where businesses and individuals are not strapped with the cost of paying for the health care of the uninsured.

If our Legislature and health care providers work together to expand health care coverage and to reform our health care delivery system, those imagined goals can be achieved. The time to act is now.